



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 11/13/2003

GAIN Report Number: MX3154

Mexico

Agricultural Situation

Mexico Announces An Import Quota On White Corn 2003

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Report Highlights:

On November 12, 2003, Mexico's Secretariat of Economy (SE) published in the Mexican Federal Register an agreement to establish a quota of 102,000 MT of white corn for 2003, (except for planting, - H. S. 1005.90.04). This amount represents a portion (3.7%) of the 2003 NAFTA tariff rate quota (TRQ) that Mexican importers did not use previously.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

On November 12, 2003, the Secretariat of Economy (SE) announced in Mexico's *"Diario Oficial"* (Federal Register) an amendment of the 2003 NAFTA tariff rate quota (TRQ) announcement for corn imports (3.262 MMT for the United States). On December 31, 2002 the corn TRQ for 2003 was announced in the Mexican Federal Register, and then modified through another announcement on April 2, 2003 (see MX3028).

According to the amendment, the domestic white corn supply currently is insufficient to match domestic demand in Baja California, Coahuila, Nuevo Leon, Oaxaca, Tabasco, Tamaulipas and Veracruz. The amendment states that most of the sectors that have received over-quota allocations have been of yellow corn as reflected in the SE's September 2, 2003 announcement establishing the over-quota U.S. yellow corn amount for 2003 (See MX3123).

Also, it points out that there is an unused portion of the 2003 quota of 102,000 MT of white corn, which was generated mainly by refunds or assigned import allocations that importers didn't use and have already expired. Therefore, in order to fill the 2003 NAFTA corn quota and to meet the demand of the domestic corn flour industry, this 102,000 MT will be assigned through a third import quota. It will be valid until December 31, 2003.

The system to import under the 2003 white corn TRQ will continue as before, with direct allocations by SE. Participation in the third import quota is limited to corn flour importers and companies who had received import allocations this year and companies from the states of Baja California, Coahuila, Tamaulipas, Nuevo Leon, Veracruz, Tabasco and Oaxaca.

Comment: Mexico's National Agreement on Agriculture states that additional white corn imports will only be authorized in the event of a domestic shortfall. Based on this announcement, it appears the SE's assessment of the shortfall in the listed states pointed to a need for additional white corn imports.

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FAS Mexico Web Site: We are available at <http://www.fas-la.com/mexico> or visit our headquarter home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.se.gob.mx These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.